

Safety and health in micro and small enterprises in the EU: from policy to practice

European Risk Observatory
Executive summary

Authors

Peter Hasle and Bjarke Refslund, Sustainable Production, Department of Materials and Production, Aalborg University Copenhagen; Ann-Beth Antonsson, Swedish Environmental Research Institute (IVL); Monique Ramioul, Research Institute for Work and Society, Katholieke Universiteit Leuven (HIVA-KU Leuven); and David Walters, the Cardiff Work Environment Research Centre (CWERC) at Cardiff University.

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Foreword

Micro and small enterprises (MSEs) form the backbone of the European Union economy and are seen as a key driver for economic growth, innovation, employment and social integration. About half of the European workforce is employed in MSEs and effective occupational safety and health (OSH) management in MSEs is essential to ensure both the well-being of workers and long-term economic survival of these enterprises. Statistics and studies show, however, that the safety and health of many workers employed in MSEs is poorly protected and that ensuring good OSH management in MSEs remains a significant challenge. This problem is acknowledged in the Strategic Framework on Health and Safety at Work 2014–2020, adopted by the European Commission, which identifies the enhanced capacity of MSEs to put in place effective and efficient risk prevention measures as one of the key strategic objectives for safety and health at work.

Responding to the existing gap in OSH requirements and workplace practice, EU-OSHA launched a wide-ranging, three-year project (2014–2017) with an overall aim to identify key success factors in terms of policies, strategies and practical solutions to improve OSH in MSEs in Europe. The project, commissioned to a group of researchers constituting the 'SESAME' (Safe Small and Micro Enterprises) consortium, has three main objectives. It will provide evidence-based support for policy recommendations, contributing to the current discussions on the regulation on OSH in Europe with regards to small enterprises. Moreover, it will identify workplace-level good practices in assuring good OSH management, and will facilitate further development of the existing or new practical tools, including the Online interactive Risk Assessment (OiRA) tool. Finally, the findings will inform future research aiming to expand knowledge on the determinants of good OSH in MSEs operating in dynamically changing economies.

This report presents findings from the third phase of the project, which identified good practice examples. The research involved OSH authorities, social partners and OSH experts to identify key elements of successful policies, strategies and workplace interventions. Building on the previous phases of the project, which reviewed up-to-date knowledge on OSH in MSEs and looked deeper into MSEs to understand, from the perspective of employers and workers, the problems and concerns associated with OSH at workplace level, this report points to efficient solutions, but also identifies important gaps in the existing support offered to MSEs. These challenges will be further addressed in the final phase of the project which aims to support policy recommendations and describe good practice in facilitating better OSH in the most vulnerable MSEs. Those results will be published and disseminated by EU-OSHA in 2018.



Christa Sedlatschek

Director

Executive summary

This executive summary presents the findings from a research project investigating the policies, strategies, methods and tools used by intermediaries, authorities and occupational safety and health (OSH) institutions to reach out to and support micro and small enterprises (MSEs) in managing OSH, constituting part of the wider Safe Small and Micro Enterprises (SESAME) project.

As found in the previous phases of the SESAME project, the institutional, socio-economic and regulatory context is found to have a strong impact on OSH in MSEs. Many MSEs face severe contextual challenges, such as competitive pressure, price competition and increasing fragmentation of production, although there is a huge variation among MSEs with regard to these factors. In addition, many MSEs often find themselves under pressure stemming from their weak position in the supply chain. These pressures translate into a vulnerable business model for many MSEs, with limited decision latitude and few economic and managerial resources that could be devoted to issues other than the survival of the business. Often these business vulnerabilities also put the workers in vulnerable positions, with non-standard employment, low levels of workplace training and precarious working conditions.

The contextual factors, combined with few resources being devoted to topics such as OSH in MSEs, results in a large proportion of MSEs having a reactive approach to OSH, where they only rarely engage in proactive OSH initiatives and mainly react to incidents such as inspections, accidents or near accidents, or demands from employees or customers. Those external calls for action may lead to preventive actions to improve selected OSH factors, although they tend to focus mainly on safety and rarely on health issues. MSEs are often businesses struggling to survive, with little interest in OSH and often not reached by the more general OSH policies or by intermediaries. Even the more avid MSEs seem, in general, to be hard to reach, especially with general OSH information.

Research findings

The study consisted of two separate research tasks. Task 1 identified good examples of OSH measures aimed at MSEs. Based on the available literature, interviews with stakeholders and information about dissemination, and through the usage of the good examples and information obtained from MSEs, 44 examples were selected, described in detail and analysed in order to identify key success factors. Task 2 consisted of dialogue workshops (in six of the participating countries) and focus groups and/or interviews (in three countries). In the dialogue workshops and interviews, national intermediaries with relevance to the OSH setting in MSEs discussed approaches to OSH and identified barriers to and enablers for developing OSH in MSEs, sharing views and experiences based on their daily interaction with MSEs. The workshops engaged four different types of intermediaries including employer representatives, worker representatives, regulators and OSH advisors. The findings in this report are based on the descriptions of good examples and on the data collected in the workshops and interviews. The report also draws on the relevant research literature.

The project highlights a wide range of good examples which show that OSH can be addressed and improved in MSEs. This can be achieved through direct interaction with intermediaries, but also through other means such as economic incentives and supply chain requirements. The intermediaries can have different roles in relation to OSH such as dissemination of OSH information, translating OSH regulation, counselling MSEs on OSH topics and supporting OSH developments in MSEs. The MSEs constitute a very heterogeneous and diverse group even within the individual sectors, and even more so across sectors, regions and countries. Hence, there are no simple fit-all solutions to the OSH challenges faced by this group, and there is a vital yet difficult-to-achieve need to adapt policies, programmes, tools and initiatives to the specific needs of MSEs. This tailoring of policies and initiatives applies all the way from the national level to the sector or subsector level and in many cases even to the level of specific work processes in a company. Sector-level social partners play a key role in the design of sector-specific adaptations.

The good examples presented in the report use different mechanisms in order to support OSH improvements in MSEs. These include actions to increase awareness of OSH risks and motivation to improve OSH in the workplace; support provided by both OSH and non-OSH intermediaries; providing

practical tools to facilitate risk identification and control; training to increase OSH knowledge; and providing economic support to facilitate implementation of selected OSH improvements in the workplace. Some good examples take the form of orchestrated programmes that combine and coordinate the efforts of different intermediaries and use a combination of regulatory pressure, information and incentives in order to initiate OSH improvements in MSEs. Most of the good examples are based on voluntary participation. The voluntary examples and initiatives have positive impacts on OSH in the involved MSEs; however, a severe limitation of these voluntary schemes is that they do not reach the large proportion of MSEs that are reactive and try to avoid active involvement with OSH institutions.

Following the reactive approach, MSEs often seek easy and directly applicable solutions to the OSH issues at hand. They, furthermore, prefer personalised face-to-face contact when discussing potential solutions to OSH issues, so intermediaries that are accessible to the MSEs and able to help upfront with the encountered issues are highly valued by MSEs. The intermediaries can also help MSEs to translate more technical regulatory demands into daily practices. OSH solutions are more easily integrated if they are aligned with the daily work practices of MSEs and are therefore more likely to have positive impacts for the MSEs. Intermediaries can thus contribute to important improvements in OSH in MSEs on several dimensions.

All four types of intermediaries, that is, employer and worker representatives, regulators and OSH advisors — along with other intermediaries such as suppliers and, in particular, the insurance companies that hold a prominent position in the OSH system in several countries — can have a positive impact on OSH developments in MSEs by influencing, controlling and supporting the enterprises via their personal, direct and often frequent contact with them, especially when offering tangible advice to the MSEs. The impact of the various intermediaries varies across national contexts, sectors and types of intermediary. The labour inspectorates play an important role in all the countries investigated. While the compliance inspection remains the main focus, labour inspectorates also advise and support MSEs, with the balance between inspection and support found to be somewhat ambivalent. The social partners have a strong impact in countries with long-standing traditions for national and sectoral social dialogue, and the influence of organised labour and employer associations is often profoundly extended to OSH matters at local and workplace levels. In many cases, MSEs have good and trusting relationships with their employers' associations and other industry associations. OSH advisors do still play a significant role in many countries, but the quality and outreach differs considerably, and there are also significant differences between free-of-cost and market-based provisions of OSH advisors. Since most MSEs have restricted resources, it can be difficult for OSH advisors to access MSEs if the MSEs have to pay for the service.

Regulatory requirements and their enforcement have proven to be vital for reaching MSEs. This is the case in particular for MSEs that have a reactive approach and face substantial challenges with regard to the socio-economic context. The regulatory requirements and the labour inspections ensure a minimum degree of attention from the MSEs and set OSH benchmarks not only for owner-managers but also for other actors such as employers' associations, unions and OSH advisors. Including inspections and regulatory requirements in different OSH initiatives also increases the outreach of these, particularly towards the large proportion of MSEs that are not susceptible to voluntary measures.

MSEs are strongly embedded in their socio-economic context and they have limited resources, and improving OSH in MSEs is hence a complex process requiring organisational, procedural and technical changes in companies. Reaching out with effective support is difficult and expensive; comprehensive solutions for OSH in MSEs should therefore be addressed from different perspectives and implemented with the involvement of different intermediaries and actors. Often, there is a synergy effect of combining various policies, activities and schemes in order to bring about a strong impact. The coordination or orchestration of policies among actors can help to achieve the best possible outcome. Coordinating the efforts can also overcome some of the limitations of the particularistic approach in many of the good examples, and move the policies and programmes towards a more holistic approach to improving OSH in MSEs.

There are several initiatives that, at a low cost, are efficient at reaching a large proportion of MSEs. However, public budgets for OSH authorities and other OSH programmes have been cut in recent years

in many countries, and it appears unrealistic to expect the majority of MSEs to be reached by such programmes, especially the MSEs operating below the regulatory radar, without assigning more resources. Since regulatory requirements and inspection-backed initiatives are found to have a strong impact on OSH standards and awareness in MSEs, an increase in the effort to enforce such requirements and initiatives in MSEs would have a positive impact. In addition, there is a strong requirement to adapt inspections and other regulatory activities to the needs of MSEs, otherwise owner-managers in MSEs may become alienated with regard to OSH.

Policy pointers

- Because of the identified challenges faced by the majority of MSEs, the policy-makers and stakeholders responsible for improving OSH in MSEs need to give higher priority to MSEs and their special needs, in particular by taking into consideration the limited resources provided for both inspections and voluntary programmes.
- MSEs are in general reactive in relation to OSH, and policies based on regulatory requirements are therefore found to have the broadest reach, since many MSEs do not take part in voluntary schemes or policies.
- Well-designed programmes, tools and other initiatives can have a positive impact on OSH in MSEs; in particular, support, tools and initiatives that can be integrated into the daily work practices and management of MSEs can be prolific. The impact can be considerably strengthened by support from broader policies targeting MSEs and by resources for inspectors and other intermediaries reaching out to MSEs.
- It is necessary to adapt the policies specifically to the needs, business setting and context of MSEs. This must be done at the sector level, but often actions targeting even more detailed levels, such as subsectors and work processes, are needed. Tripartite organisations and sector associations can facilitate such tailoring to the needs and demands of MSEs. This can be further facilitated by closer collaboration (orchestration) among different government regulatory bodies including non-OSH agencies.
- Various intermediaries that meet MSEs face to face are often preferred by MSEs. In this way, intermediaries can increase the reach, efficiency and legitimacy of OSH policies directed at MSEs. However, face-to-face meetings are also expensive, and it is therefore crucial to find cost-efficient solutions ensuring the coordination between intermediaries and exploiting the possibilities to include various non-OSH intermediaries, who often have broad contact with MSEs.
- Most MSEs have, as confirmed by this study and by the previous phase of the SESAME project, limited resources, economically and managerially, and it is therefore necessary to provide low-cost or free OSH programmes in order to reach a larger proportion of MSEs.

The European Agency for Safety and Health at Work (EU-OSHA) contributes to making Europe a safer, healthier and more productive place to work. The Agency researches, develops, and distributes reliable, balanced, and impartial safety and health information and organises pan-European awareness raising campaigns. Set up by the European Union in 1994 and based in Bilbao, Spain, the Agency brings together representatives from the European Commission, Member State governments, employers' and workers' organisations, as well as leading experts in each of the EU Member States and beyond.

European Agency for Safety and Health at Work

Santiago de Compostela 12, 5th floor
48003 Bilbao, Spain
Tel. +34 944358400
Fax +34 944358401
E-mail: information@osha.europa.eu

<http://osha.europa.eu>



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